

Message Text

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E.O. 11652: NA
TAGS: BBSR,BEXP,IT
SUBJECT: GLOBAL MARKET RESEARCH: SUMMARY OF BIDS AND POST
RECOMMENDATIONS - ELECTRIC ENERGY SYSTEMS

REF: A-816 OF 2/7/75, MILAN 0110

FOR COMMERCE

1. SUMMARY OF BIDS
OF THE Y FIRMS SOLICITED, TWO LISTED BELOW HAVE SUBMITTED BIDS
FOR GMS IN ELECTRIC EERGY SYSTEMS: (ALL DOLLAR VALUES SHOWN
ARE AT OFFICIAL RATE AT TIME OF BID DEADLINE, 633 LIRE EQUAL
\$1.00).

AM SOCIETA ITALIANA PER L'ECONOMIA APPLICATA (SITEA), ITALY
ONLY. COST LIRE 2,500,000 (\$3950). SITEA PROPOSES 36 INTERVIEWS;
MANUFACTURERS 20, IMPORTERS AND SALES REPRESENTATIVES 8 AND
INDUSTRIAL ASSOCIATIONS, GOVERNMENT AUTHORITIES, OTHERS 8. SITEA
HAS CONDUCTED ONE PREVIOUS SURVEY IN FIELD, IN 1972 ENTITLED
"ELECTRIC ENERGY AND RAW MATERIALS". POST OBTAINED FOLLOWING
INFORMATION NOT INCLUDED IN BID: 1972 STUDY CONDUCTED FOR HENRY COE
AND CLERICI, GENOA, ITALY. CLIENT IS COAL IMPORTER. STUDY FOCUSED
ON FUTURE RAW MATERIALS REQUIREMENTS OF ITALIAN POWER INDUSTRY,
THERMAL AND NUCLEAR. GMS STUDY WOULD BE CONDUCTED BY DR ANTONIO
MARTELLI, MANAGING DIRECTOR, FOURTEEN YEARS EXPERIENCE AS RESEARCHER
AND AUTHOR OF ARTICLES ON RESEARCH THEORY, AND DR GUALTIERO
TONELLA, SIX YEARS RESEARCH AND CONSULTANT EXPERIENCE.

B. YOUNG AND RUBICAM ITALIA S.P.A. (Y&R) ITALY ONLY. COST,
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LIRE 3,500,000 (\$5530). Y&R PROPOSES 34-41 INTERVIEWS: TRADE

ASSOCIATIONS, JOURNALISTS AND GOVERNMENT OFFICIALS 6-7; ELECTRIC UTILITIES 5-6, OTHER END USERS 8-10, CONSULTING AND CONTRACTING ENGINEERS 4-5, IMPORTERS AND SALES REPRESENTATIVES 5-6, AND EQUIPMENT MANUFACTURERS 6-7. Y& R HAS NOT PREVIOUSLY CONDUCTED RESEARCH IN THIS FIELD, STUDY WOULD BE CONDUCTED BY VITTORIO PUPPIN, RESEARCH SUPERVISOR, AND Y& R RESEARCH STAFF.

2. POST RECOMMENDATIONS

A. POST NOT ENTHUSIASTIC OVER QUALITY OF EITHER Y&R OR SITEA BID. NEITHER PROPOSES VOLUME OF WORK THAT IS REQUIRED BY SPECIFICATIONS FOR THIS GMS. GREAT RANGE OF TOPICS IN GMS MAY BE DIFFICULT TO COVER IN 34-36 INTERVIEWS. HOWEVER, ON BASIS OF BID PRESENTATION, POST RECOMMENDS Y&R FOR CONTRACTOR OVER SITEA. Y&R OFFERS NO PREVIOUS EXPERIENCE IN FIELD, BUT HAS WIDESPREAD NETWORK OF RESEARCHERS IN ITALY AND EXPERTISE FROM NUMEROUS RESEARCH PROJECTS. Y&R NETWORK MORE ADEQUATE THAN SITEA RESEARCH STAFF TO COVER EXTENSIVE REQUIREMENTS OF ELECTRIC ENERGY SPECIFICATIONS AND THIS CAPABILITY JUSTIFIES HIGHER COST.

B. AS STATED IN RECOMMENDATIONS FOR BUSINESS EQUIPMENT GMS, POST RELUCTANT TO RECOMMEND SITEA FOR ADDITIONAL STUDIES UNTIL FIRST WORK ON ANNUAL RESEARCH CONTRACT IN METAL FINISHING EQUIPMENT CAN BE EVALUATED. POST ALSO FEARS OVERLOADING SITEA WITH THIS GMS WHILE WORK IN PROCESS ON ANNUAL CONTRACT. Y&R WORK WILL ALSO BE NEW IN ITALY, ALTHOUGH Y&R HAS WON CONTRACTS ELSEWHERE FOR USDOC RESEARCH.

C. DESPITE RESERVATIONS, POST WOULD RECOMMEND EITHER FIRM OVER CONTRACTOR BASED OUT OF ITALY WHO HAS NO BRANCH OFFICE AND RESEARCH NETWORK IN ITALY AND WHICH THUS IS NOT LIKELY TO HAVE "POLITICAL" CONNECTIONS AND INSIGHT NECESSARY FOR THIS TYPE OF RESEARCH.

D. POST RECEIVED FEW BIDS BUT MANY COMPLAINTS FROM SOLICITED FIRMS. SEVERAL BELIEVED SIZE AND SCOPE OF SPECIFICATIONS RANGING FROM CONVENTIONAL ELECTRIC SYSTEMS TO ALTERNATIVE ENERGY SOURCES WAS EXCESSIVE FOR USDOC TIME LIMITATIONS AND PRICE RANGE BELIEVED ACCEPTABLE TO USDOC BY CONTRACTORS. ONE CONTRACTOR TOLD POST HE FELT NO ONE COULD DO PROPER JOB ON THIS GMS IN 12 WEEKS. MANY OTHERS

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SAID GMS TOO LARGE TO BE INCLUDED IN THEIR WORK SCHEDULES. USDOC MAY WISH TO NOTE ABOVE COMMENTS IN FUTURE GMS PLANNING.

3. TWO COPIES OF EACH BID DOCUMENT FORWARDED TO USDOC VIA APO ON APRIL 7. FINA

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